



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 13

#### SUPPLEMENTARY PROVISIONS

##### *Alteration of amounts*

#### **716 Alteration of amounts by Treasury order**

- (1) The Treasury may by order increase or further increase the sums of money specified in any of the following provisions.
- (2) They are—
  - (a) section 179(2)(a) (limit on exception for advances for necessary expenses),
  - (b) section 241(3)(a) and (b) (incidental overnight expenses: overall exemption limit),
  - (c) section 264(2) and (3) (annual parties and functions),
  - (d) section 287(1) (limit on exemption under Chapter 7 of Part 4: removal benefits and expenses),
  - (e) section 322(1) and (4) (suggestion awards: “the permitted maximum”),
  - (f) section 323(2) (long service awards),
  - [<sup>F1</sup>(fa) section 323A(4) (trivial benefits provided by employers: cost of providing benefit),
  - (fb) section 323B(2) (trivial benefits provided by employers: annual exempt amount),]
  - (g) section 324(6) (small gifts from third parties), and
  - (h) section 358(3)(b) (business entertainment and gifts: other exceptions).
- (3) An order relating to section 241(3)(a) or (b) may make provision for determining what earnings are treated as received on or after the date when the order comes into force.

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- (4) An order relating to section 287(1) applies to a change of an employee’s residence where the employment change occurs on or after the day specified in the order for the purpose.

“The employment change” here has the same meaning as in Chapter 7 of Part 4 (see section 275).

#### Textual Amendments

- F1** S. 716(2)(fa)(fb) inserted (with effect in accordance with s. 13(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 13\(3\)](#)

#### *[<sup>F2</sup>Priority rule for certain dividends etc*

#### Textual Amendments

- F2** S. 716A and cross-heading inserted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 615](#) (with [Sch. 2](#))

### **716A Priority rule for dividends etc. of UK resident companies etc.**

- [ Any income, so far as it falls within—
- <sup>F3</sup>(1) (a) Part 2, 9 or 10 of this Act, and
- (b) Chapter 3 of Part 4 of ITTOIA 2005 (dividends etc. from UK resident companies etc.),
- is dealt with under Chapter 3 of Part 4 of ITTOIA 2005.

- [ Subsection (1) is subject to section 554Z2(2). ]
- <sup>F4</sup>(2)

#### Textual Amendments

- F3** S. 716A renumbered as s. 716A(1) (with effect in accordance with Sch. 2 paras. 52-59 of the amending Act) by [Finance Act 2011 \(c. 11\), Sch. 2 para. 34\(2\)](#)
- F4** S. 716A(2) inserted (with effect in accordance with Sch. 2 paras. 52-59 of the amending Act) by [Finance Act 2011 \(c. 11\), Sch. 2 para. 34\(3\)](#)

#### *[<sup>F5</sup>Employment intermediaries: information powers*

#### Textual Amendments

- F5** S. 716B and cross-heading inserted (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 18\(1\)](#)

### **716B Employment intermediaries to keep, preserve and provide information etc**

- (1) For purposes connected with Chapter 7 of Part 2 (treatment of workers supplied by agencies) or Part 11 (PAYE), the Commissioners for Her Majesty’s Revenue and

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- Customs may by regulations make provision for, or in connection with, requiring a specified employment intermediary—
- (a) to keep and preserve specified information, records or documents for a specified period;
  - (b) to provide Her Majesty's Revenue and Customs with specified information, records or documents within a specified period or at specified times.
- (2) An “employment intermediary” is a person who makes arrangements under or in consequence of which—
- (a) an individual works, or is to work, for a third person, or
  - (b) an individual is, or is to be, remunerated for work done for a third person.
- (3) For the purposes of subsection (2), an individual works for a person if—
- (a) the individual performs any duties of an employment for that person (whether or not the individual is employed by that person), or
  - (b) the individual provides, or is involved in the provision of, a service to that person.
- (4) In subsection (1) “specified” means specified or described in regulations made under this section.
- (5) Regulations under this section may—
- (a) make different provision for different cases or different purposes, and
  - (b) make incidental, consequential, supplementary or transitional provision or savings.]

#### *Orders and regulations*

### **717 Orders and regulations made by Treasury or <sup>F6</sup>Commissioners]**

- (1) Any power of the Treasury or <sup>F7</sup>the Commissioners for Her Majesty's Revenue and Customs] to make any order or regulations under this Act is exercisable by statutory instrument.

This is subject to subsection (2).

- (2) Subsection (1) does not apply to the power conferred by section 28(5) (overseas Crown employment: order excepting certain earnings) <sup>F8</sup>or section 421L(7) (persons to whom section 421J applies: order in relation to excluded securities).]
- (3) Any statutory instrument containing any order or regulations made by the Treasury or <sup>F7</sup>the Commissioners for Her Majesty's Revenue and Customs] under this Act is subject to annulment in pursuance of a resolution of the House of Commons.

This is subject to subsection (4).

- (4) Subsection (3) does not apply to any statutory instrument made under <sup>F9</sup>section 24A(11) (assumptions about related employments), <sup>F10</sup>section 270AA(3) (exemption from income tax for qualifying childcare vouchers: meaning of “eligible employee”), <sup>F11</sup>section 318AZA(3) (exemption from income tax for other care: meaning of “eligible employee”), <sup>F12</sup>section 323C(1) (trivial benefits provided by employers),] section 343(3) (deduction for professional membership fees: order adding certain fees) <sup>F13</sup>or section 688A(7) (PAYE regulations: managed service companies)] <sup>F14</sup>or to which <sup>F15</sup>section 312A(10) (reduction of tax-exempt amount in

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respect of certain bonus payments) [<sup>F16</sup>, section 402D(10) (meaning of basic pay for purpose of calculating charge on termination award), section 404B(4) (reduction of tax-free threshold for employment-termination etc payments)] or] section 681F(3) (variation of income limit etc for high income child benefit charge: orders increasing liability to tax) applies] .

#### Textual Amendments

- F6** Words in s. 717 title substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 4 para. 102\(3\)\(1\)](#); S.I. 2005/1126, art. 2(2)(h)
- F7** Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 4 para. 102\(2\)](#); S.I. 2005/1126, art. 2(2)(h)
- F8** Words in s. 717(2) inserted (19.7.2007) by [Finance Act 2007 \(c. 11\), Sch. 26 para. 10\(3\)](#)
- F9** Words in s. 717(4) inserted (17.7.2014) by [Finance Act 2014 \(c. 26\), Sch. 3 para. 6](#)
- F10** Words in s. 717(4) inserted (21.4.2017) by [Childcare Payments Act 2014 \(c. 28\), ss. 63\(5\), 75\(2\)](#); S.I. 2017/578, reg. 3(f) (with reg. 8)
- F11** Words in s. 717(4) inserted (21.4.2017) by [Childcare Payments Act 2014 \(c. 28\), ss. 64\(6\), 75\(2\)](#); S.I. 2017/578, reg. 3(f) (with reg. 8)
- F12** Words in s. 717(4) inserted (with effect in accordance with s. 13(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 13\(4\)](#)
- F13** Words in s. 717(4) inserted (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\), s. 25\(2\), Sch. 3 para. 7](#)
- F14** Words in s. 717(4) inserted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 1 para. 5\(6\)](#)
- F15** Words in s. 717(4) inserted (17.7.2014) by [Finance Act 2014 \(c. 26\), Sch. 37 para. 6](#)
- F16** Words in s. 717(4) inserted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 5\(9\)](#)

### Interpretation

#### 718 Connected persons

[<sup>F17</sup>Section 993 of ITA 2007] (how to tell whether persons are connected) applies for the purposes of this Act.

#### Textual Amendments

- F17** Words in s. 718 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 442](#) (with [Sch. 2](#))

#### 719 [<sup>F18</sup>Meaning of “control”]

[<sup>F19</sup>Section 995 of ITA 2007 (meaning of “control”)] applies for the purposes of this Act, unless otherwise indicated.

#### Textual Amendments

- F18** S. 719 sidenote substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 443\(b\)](#) (with [Sch. 2](#))

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**F19** Words in s. 719 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 443\(a\)](#) (with [Sch. 2](#))

**F20** **720 Meaning of “ an officer of Revenue and Customs ” etc.**

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**Textual Amendments**

**F20** S. 720 repealed (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 4 para. 119, Sch. 5; S.I. 2005/1126, art. 2\(2\)\(h\)\(i\)](#)

**721 Other definitions**

(1) In this Act—

“cash voucher” has the same meaning as in Chapter 4 of Part 3 (see section 75),

[<sup>F21</sup>“the Contributions and Benefits Act” means SSCBA 1992 or SSCB(NI)A 1992;]

“credit-token” has the same meaning as in Chapter 4 of Part 3 (see section 92),

[<sup>F22</sup>“foreign employer” means an individual, partnership or body of persons resident outside, and not resident in, the United Kingdom,]

“non-cash voucher” has the same meaning as in Chapter 4 of Part 3 (see section 84),

<sup>F23</sup>  
...

<sup>F24</sup>(2) .....

(3) Any reference in this Act to being domiciled in the United Kingdom is to be read as a reference to being domiciled in any part of the United Kingdom.

(4) For the purposes of this Act the following are members of a person’s family—

- (a) the person’s spouse [<sup>F25</sup>or civil partner],
- (b) the person’s children and their spouses [<sup>F26</sup>or civil partners],
- (c) the person’s parents, and
- (d) the person’s dependants.

(5) For the purposes of this Act the following are members of a person’s family or household—

- (a) members of the person’s family,
- (b) the person’s domestic staff, and
- (c) the person’s guests.

(6) The following provisions (which relate to the legal equality of illegitimate children) are to be disregarded in interpreting references in this Act to a child or children—

- (a) section 1 of the Family Law Reform Act 1987 (c. 42);
- (b) the paragraph inserted in Schedule 1 to the Interpretation Act 1978 (c. 30) by paragraph 73 of Schedule 2 to the 1987 Act;
- (c) section 1(2) of the Law Reform (Parent and Child) (Scotland) Act 1986 (c. 9);

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- (d) Article 155 of the Children (Northern Ireland) Order 1995 (S.I. 1995/755 (N.I. 2)).
- (7) In the employment income Parts any reference to earnings which is not limited by the context—
- (a) to earnings within Chapter 1 of Part 3, or
  - (b) to any other particular description of earnings,
- includes a reference to any amount treated as earnings by any of the provisions mentioned in section 7(5) (meaning of “employment income” etc.).

#### Textual Amendments

- F21** Words in s. 721(1) inserted (1.9.2004) by Finance Act 2004 (c. 12), s. 85(2), **Sch. 16 para. 7(2)**; S.I. 2004/1945, art. 2
- F22** Words in s. 721(1) substituted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 7 para. 39**
- F23** Words in s. 721(1) repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 1 para. 444(2) (b), **Sch. 3 Pt. 1** (with Sch. 2)
- F24** S. 721(2) repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 1 para. 444(3), **Sch. 3 Pt. 1** (with Sch. 2)
- F25** Words in s. 721(4)(a) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), **168(a)**
- F26** Words in s. 721(4)(b) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), **168(b)**

#### Modifications etc. (not altering text)

- C1** S. 721 applied (6.4.2006) by The Registered Pension Schemes (Co-ownership of Living Accommodation) Regulations 2006 (S.I. 2006/133), regs. 1, **5(6)** (with reg. 2)
- C2** S. 721 applied (6.4.2006) by Finance Act 2004 (c. 12), **ss. 173(11)**, 284(1) (with Sch. 36)

*Amendments, repeals, citation etc.*

## 722 Consequential amendments

Schedule 6 contains consequential amendments.

## 723 Commencement and transitional provisions and savings

- (1) This Act comes into force on 6th April 2003 and has effect—
- (a) for the purposes of income tax, for the tax year 2003-04 and subsequent tax years, and
  - (b) for the purposes of corporation tax, for accounting periods ending after 5th April 2003.
- (2) Subsection (1) is subject to Schedule 7, which contains transitional provisions and savings.

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## **724 Repeals and revocations**

- (1) The enactments specified in Part 1 of Schedule 8 (which include certain spent provisions) are repealed to the extent specified.
- (2) The instruments specified in Part 2 of that Schedule are revoked to the extent specified.

## **725 Citation**

This Act may be cited as the Income Tax (Earnings and Pensions) Act 2003.

**Changes to legislation:**

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